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RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY
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SUBJECT: GON STRUGGLES WITH MAOIST CHALLENGE

Classified By: AMBASSADOR JAMES F. MORIARTY, REASONS 1.4 (B/D).

Summary

11. (C) Prime Minister Koirala's Foreign Policy Advisor Dr. Chalise told DCM August 29 that the GON is acutely aware of stepped-up Maoist presence in Nepal's urban centers and the deteriorating law and order situation throughout the country. He said that the GON was trying to bind the Maoist insurgents into broader society in order to mainstream them and wean them from violence. He reiterated that the GON will not allow the Maoists into the GON until the Peoples Liberation Army is separated from its weapons. Chalise said that the GON wants to draw the Maoists further into the peace process while persuading the Nepali public, EU and UN of the obnoxious character of the movement. According to the PM's advisor, the GON will not be strong enough to crack down on the Maoists and restore law and order until after the Maoist Peoples Liberation Army is in cantonment under UN aegis. Comment: We disagree with Chalise's analysis that the GON is too weak to enforce law and order in Nepal's urban areas and will push with the Prime Minister the concept that the primary duty of any government is to ensure the safety and security of its citizens. End comment.

Maoist Show of Force

12. (C) PM Foreign Policy Advisor Dr. Suresh Chalise told DCM August 29 that his government is keenly aware of the stepped up presence of Maoist cadre in Nepal's urban centers and the resulting increase in fear and intimidation and decrease in law and order. He agreed that the Maoists were putting on a show of force for the UN peace facilitation team which had arrived in Kathmandu that morning on an open-ended mission. Chalise shared the assessment that the Maoists were flexing their muscles for psychological impact while also continuing extortion, abduction and aggressive efforts to supplant existing labor unions in enterprises, most visibly in international hotel chains, with Maoist-led entities.

Mainstreaming the Maoists

13. (C) Chalise argued, however, that the GON had made progress in binding the Maoists into broader society at large in its effort to transform the Maoists into a mainstream political party. The PM's advisor emphasized that after ten years of conflict and almost 14,000 killed, Nepalis yearn for peace. While the Maoists continue to extort, abduct and intimidate, killings and violence have decreased, he said, a relief to the long-suffering people of Nepal. He noted the presence of some 2000 Maoist insurgents in Kathmandu hospitals for treatment unavailable in the jungles during the course of the conflict and an across the board engagement in society at large by the Maoists as evidence of the insurgents' desire not to return to warfare. Chalise noted, however, that the Maoists were packing urban centers with cadre and encouraging rootless rural residents to move to urban centers in preparation for street unrest in coming weeks. He worried about fissures in the Seven Party Alliance, pointing out the divergence between his party, the Nepali Congress, which supports democracy under a constitutional monarchy and the CPN-UML, which has lined up with the Maoists on a republic.

Reestablishing Law and Order

14. (C) The foreign policy advisor said that the GON had to bide its time before cracking down on Maoist activities to restore law and order. In his view, the peace process is too fragile and the fledgling GON too weak after just three months in power to challenge the Maoists head on. The GON had to build more credibility with the people of Nepal, bind the Maoists further into the peace process and persuade the EU and UN of the obnoxious character of the Maoist movement before taking decisive action. Chalise said that the proper moment would be after the PLA was in cantonment and Maoist weapons were under a dual lock and key supervised by the UN. He conceded that the UN could not be a panacea for Nepal's law and order problems, and the GON law enforcement would have to reestablish control, but emphasized that the context must be right. Chalise also noted the civilian GON's unease at being "dependent" on the security forces. He criticized Home Minister Sitaula, describing him as wholly ineffective in his role as chief GON law enforcement officer, but emphasized what he said was PM Koirala's belief that dismissing Sitaula would risk derailing the peace process because of the bond the Home Minister had established with the Maoists.

Separating Maoists from Weapons

15. (C) Dr. Chalise insisted that the GON would hold firm on its refusal to allow the Maoists into the government until they had been separated from their weapons. He recognized the continuing pressure that the Maoists would exert on the GON to make further concessions. Chalise insisted that the GON was aware of this danger, most recently apparent in potentially disadvantageous provisions of the interim constitution, and was adamant about not making further concessions to the Maoists. He underscored the important balancing role of the UN and European Union in this equation, highlighting the criticality of consistent U.S. support for the GON on arms separation. Waffling by the EU and the UN, in particular their ambiguity regarding the moral equivalence of the Maoist cause with GON sovereignty, represented a significant obstacle to the peace process in the view of the GON, Chalise repeated.

Accounting for Lost GON Weapons, Maoist Combatants

16. (C) The foreign policy advisor agreed to convey to the Prime Minister the need for the GON to provide the UN peace facilitation team with an accurate accounting of GON weapons lost to the Maoists. He agreed that such a baseline would be valuable in testing the bonafides of the Maoists in a phased approach to UN-supervised arms separation. Chalise reiterated his conviction that Maoist claims that the PLA

could not relinquish its weapons because of the threat of a palace-backed Nepal Army operation was a canard -- the Maoists' real fear is of retribution by angry villagers once they lay down their weapons. The foreign policy advisor expressed confidence that the definition of combatants under a UN-sponsored peace process would encourage the PLA to hand in weapons. He said that the Nepal Army had told him that to be categorized as a combatant qualified for cantonment, PLA members would have to hand in their weapons. DCM expressed skepticism at this definition of combatant, and the notion that this would motivate Maoists to hand in weapons. It was more likely that the Maoists were already hiding weapons.

Comment

¶7. (C) The Prime Minister's foreign policy advisor recognizes the inherent contradictions in the GON's stance regarding law and order and the Maoist threat. Chalise sees the increased activity of the Maoists in the Kathmandu Valley and other urban centers, the resulting fear and intimidation, and threat of widespread Maoist-led street action in coming weeks. He does not appear to realize, however, that the

GON's security forces have the capacity to force the Maoists to rein in many of the ongoing abuses -- and that doing so would only garner the GON support both domestically and internationally. Continued bucking up of the GON by the United States and like-minded members of the international community, especially India, is vital at this difficult juncture in Nepal's peace process.

MORIARTY